

August 2004

Dear Landlord/Managing Agent:

Attached are the 2004 Annual Rent Report(s), Instructions and Sample Rent Report which must be **completed in Full, Signed, Dated and Returned to the Office on Landlord-Tenant Affairs** on or before **September 30, 2004**. **Article 5 of the Takoma Park Code requires all landlords owning two (2) or more rental units to comply with this requirement.** The report records increases and decreases in rent actually charged to the tenant, and increases in the allowable rent for rental units. **We only need rent information that is within the July 1, 2003 - June 30, 2004 reporting period. Please note that the Rent Stabilization Allowance during this reporting period was 1.8%.**

Some landlords/agents are forgetting to complete **Column J**, if there is an allowable rent that was carried over from year to year. Please remember that you should add 1.8% to the figure that was in **Column J** on last year's report. **If you don't compute this increase, we will not be doing that for you this year.** We will return the form to you for completion. All rent increases given due to rent petitions should also be included in this column if you did not charge the increase to your current tenant.

The City has established a partnership with Montgomery County to provide landlords with the opportunity to obtain credit reports and landlord-tenant court reports from three of the nation's largest credit bureaus, TRW, Trans Union and EQUIFAX through the "Registry" service. Landlords with **40 or fewer units** and have a valid city rental license are eligible to receive this service. The turnaround time for receiving a credit report is usually **24-48 hours**. The fee is **\$11** for each applicant, payable by check to **Montgomery County** and can be mailed or hand delivered to **Jean Kerr, 7500 Maple Avenue, Takoma Park, MD 20912**. The applicant and the landlord **must** sign the application prior to submission. The first credit check is free for first-time users of this program. You can request a copy by calling me at (301) 891-7216 or download it at www.montgomerycountymd.gov/dhca. Click on Housing Programs, Landlord-Tenant Resources, Download Application Forms and Rental Application.

Also, attached are:

- (1) Schedule of the upcoming Rent Stabilization Review by the City Council.
- (2) Upcoming requirements for Lead Paint Testing and Registration.
- (3) Effective **10/1/04**, the security deposit interest will change from **4%** to **3%**.

If you have any questions regarding the rent report or need assistance in completing it, please call me at (301) 301-891-7216. **Failure to submit the completed rent report by September 30, 2004 or filing a false rent report is a violation of the Takoma Park Law and could result in a fine.** Your prompt attention to this matter is greatly appreciated.

Sincerely,

Jean Kerr
Housing Specialist

Enclosures

Instructions

July 1, 2003 - June 30, 2004 Reporting Period

Definitions: **Allowable Rent:** The highest rent that can be charged for a **VACANT** unit as recorded in **COLUMN J** provided that the increase meets the criteria set forth in **Step 4, Number 5**.

Anniversary Date: The date that an actual rent increase occurred [**COLUMN F - Date Of Increase in Rent**] and/or the date an allowable increase is calculated [**COLUMN I - Date Of Allowable Rent**]. This date must be at least 12 months from the previous rent increase or allowable increase.

IT IS ADVISABLE TO COMPLETE THE RENT REPORT WHILE YOU READ THE FOLLOWING STEP BY STEP DIRECTIONS.

STEP 1 **Page 1:** **YOU MUST FILL IN ALL INFORMATION INCLUDING UTILITIES AND FEES IN NUMBERS 1 - 9 OF THE RENT REPORT.**

STEP 2 **Page 2:** **YOU MUST FILL IN ALL RENTAL INFORMATION IN COLUMNS A, B, C, D, & E FOR ALL RENTAL UNITS OCCUPIED OR VACANT DURING THE JULY 1, 2003 - JUNE 30, 2004 REPORTING PERIOD.**

Please Note: **COLUMN C (Section 8)** refers to the federally-funded housing assistance program which is administered by Montgomery County's Housing Opportunity Commission (HOC) and may or may not apply to you.

In **COLUMN E**, the "***Date Tenant Moved In***" refers to the starting occupancy date of the tenant who was living in the rental unit during the **July 1, 2003 - June 30, 2004** reporting period. **There should always be a date listed in COLUMN E unless the rental unit was vacant for the entire July 1, 2003 - June 30, 2004 reporting period.**

STEP 3 **FOR ALL UNITS WITH NO INCREASES OR DECREASES IN RENT DURING THE JULY 1, 2003 - JUNE 30, 2004 REPORTING PERIOD**

1. **Complete COLUMNS A, B, C, D, E, I & J in FULL.**
[SEE ATTACHED SAMPLE RENT REPORT #1]
2. You **must** complete **COLUMNS I & J** if there were **no** rent increases or decreases during the **July 1, 2003 - June 30, 2004** reporting period. **If you do not fill in the information, you will lose the opportunity of charging the higher base rent once the unit becomes vacant in the future.** ***[SEE ATTACHED SAMPLE RENT REPORT #1]***
3. **Complete COLUMN J** by adding **1.8%** to the amount you listed in **COLUMN D (Rent As Of 6/30/04)** on this report, or ***[SEE ATTACHED SAMPLE RENT REPORT #1]***. If you fail to do this it will **not** be computed by this office and you will lose the increase.
4. If you had an amount listed in **COLUMN J** on your previous report (2003), just add **1.8%** to that amount and put it in **COLUMN J**. If you fail to do this it will **not** be computed by this office and you will lose the increase.
[SEE ATTACHED SAMPLE RENT REPORT #2]
5. You **must** put a date in **COLUMN I**, if there is an amount listed in **COLUMN J** which must be within the **July 1, 2003 - June 30, 2004** reporting period. This date should be no

less than **12 months** from the last date listed in **COLUMN I** on the previous report (2003) or no less than 12 months from the last rent increase listed in **COLUMN F**, also on the 2003 report. *[SEE ATTACHED SAMPLE RENT REPORT #1, #2, #3, #4]*. If you fail to do this we will return the form to you for completion.

STEP 4 **FOR ALL UNITS WITH INCREASES OR DECREASES IN RENT DURING THE July 1, 2003 - June 30, 2004 REPORTING PERIOD**

1. Complete **COLUMNS A, B, C, D, E, F, G & H** in full if you took **increases or decreases** in rent during the **July 1, 2003 - June 30, 2004** reporting period.
[SEE ATTACHED SAMPLE RENT REPORT #2, #3, #4, #5]
2. Please remember that **COLUMNS D & H** *should always* have the same rent amounts if you took **increases or decreases** in rent during the **July 1, 2003 - June 30, 2004**.
[SEE ATTACHED SAMPLE RENT REPORT #2, #3, #4, #5]
3. **COLUMNS I & J** *must* be fully completed if: (A) you did not take a rent increase during the **July 1, 2003 - June 30, 2004** reporting period, (B) you had an **allowable rent** listed in **COLUMN J** on the previous report (2003), (C) you took a **decrease in rent** during the **July 1, 2003 - June 30, 2004** reporting period or (D) you did not take the entire **1.8% Rent Stabilization Allowance** increase. If there was an **allowable rent** listed in **COLUMN J** on the 2003 rent report, you should add **1.8%** to that amount and put it in **COLUMN J** on this report (2004). If you did not take the entire 1.8% increase or you decreased the rent, and you did not have an amount listed in **COLUMN J** on the previous report, you should add **1.8%** to the rents listed in **COLUMN D (Rent As Of 6/30/03)** on the previous report (2003) and put it in **COLUMN J** on this report (2004). *Please note that if you do not fill in an amount in COLUMN J, you will lose the opportunity of charging the higher rent once the unit becomes vacant in the future.*
[SEE ATTACHED SAMPLE RENT REPORT #1, #2, #3, #4]
4. **You must put a date in COLUMN I if there is an allowable rent amount listed in COLUMN J.** This date must be within the **July 1, 2003 - June 30, 2004** reporting period and should be no less than 12 months from the date listed in **COLUMN I** on the previous report (2003) or from the last date of **increase** or **decrease** listed in **COLUMN F** also on the same report. Should this unit becomes vacant in the future, you will be able to increase the rent to whatever amount is listed in **COLUMN J** on this report.
[SEE ATTACHED SAMPLE RENT REPORT #1, #2, #3, #4]
5. **Vacant Units:** When vacant units are rented, you may increase the rent up to the allowable rent [**COLUMN J**] even if it is less than 12 months from the last rent increase. **Please note that this increase can only take place if:** (A) the vacancy is the result of a termination of the tenancy by the tenant or (B) a termination of the tenancy by the landlord for cause. An increase in rent up to the allowable rent (**COLUMN J**) cannot be taken on a vacant unit if a *no cause* two-month (2) notice to vacate was given to the previous tenant. *[SEE ATTACHED SAMPLE RENT REPORT #5]*

STEP 5 **SIGNATURE**

1. Please make sure that you **Sign** and **Date** the last page (**page 4**) of the rent report before you mail it. **Please note that the rent report is incomplete without your signature.**
2. **PLEASE KEEP A COPY FOR YOUR FILE TO USE IN COMPLETING THE 2005 RENT REPORT.**

2004 SAMPLE RENT REPORT

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	*	<u>F</u>	<u>G</u>	<u>H</u>	*	<u>I</u>	<u>J</u>
					*				*		
					*				*		
					Date of						
		Indicate		*	Increase/	Rent	Rent	*	Date Of		
		With An	Rent	Date	* Decrease		Before	After	* Increase In	Allowable	
		"X" If	As Of	Tenant	* In Rent		Increase/	Increase/	* Allowable Rent	Rent During	
<u>Unit #</u>	<u>Bdrms.</u>	<u>Section 8</u>	<u>6/30/04</u>	<u>Moved In</u>	<u>7/1/03-6/30/04</u>		<u>Decrease</u>	<u>Decrease</u>	<u>7/1/03-6/30/04</u>	<u>7/1/03-6/30/04</u>	
(1)	NO INCREASE IN RENT DURING JULY 1, 2003 - JUNE 30, 2004:										
<u>1</u>	<u>2</u>		<u>\$759</u>	<u>8/1/02</u>						<u>8/1/03</u>	<u>\$773</u>
(2)	RENT INCREASE PLUS ALLOWABLE INCREASE DURING JULY 1, 2003 - JUNE 30, 2004:										
<u>2</u>	<u>2</u>		<u>\$739</u>	<u>10/1/02</u>	<u>10/1/03</u>	<u>\$725</u>	<u>\$739</u>			<u>10/1/03</u>	<u>\$775</u>
(3)	DECREASE IN RENT DURING JULY 1, 2003 - JUNE 30, 2004:										
<u>3</u>	<u>1</u>		<u>\$630</u>	<u>5/1/03</u>	<u>5/1/04</u>	<u>\$660</u>	<u>\$630</u>			<u>5/1/04</u>	<u>\$677</u>
(4)	INCREASE IN RENT LESS THAN 1.8% DURING JULY 1, 2003 - JUNE 30, 2004:										
<u>4</u>	<u>2</u>		<u>\$694</u>	<u>8/1/02</u>	<u>8/1/03</u>	<u>\$688</u>	<u>\$694</u>			<u>8/1/03</u>	<u>\$700</u>
(5)	CHANGE IN TENANCY DURING JULY 1, 2003 - JUNE 30, 2004:										
<u>5</u>	<u>2</u>		<u>\$776</u>	<u>8/1/03</u>	<u>8/1/03</u>	<u>\$763</u>	<u>\$776</u>				

- Rent remains at \$759 [COLUMN D] from the previous year. There was no allowable rent listed on the previous report. Therefore add 1.8% + \$759 = \$773 [COLUMN J].
- Rent before increase was \$725 [COLUMN G]. Rent After 1.8% Increase is \$739 [COLUMNS H & D]. Previous Allowable Rent was \$761. Allowable Rent Change is \$761 + 1.8% = \$775 [COLUMN J]. Date of Previous Rent Increase & Allowable Rent Change was 10/1/02. Rent Increase can be no less than 12 Months from Last Increase [COLUMNS F & I].
- Previous Rent was \$660 [COLUMN G]. Rent After Decrease is \$630 [COLUMNS H & D]. Previous Allowable Rent was \$665. Allowable Rent Change is \$665 + 1.8% = \$677 [COLUMN J]. Date of Previous Rent Increase & Allowable Rent Change was 5/1/03. Rent Increase can be no less than 12 months from Last Increase [COLUMNS F & I].
- Previous Rent was \$688 [COLUMN G]. Rent After Increase is \$694 [COLUMNS H & D]. Date of Previous Rent Increase was 8/1/02. Rent Increase can be no less than 12 Months from Last Increase [COLUMN F]. There was no allowable rent listed on the previous report. Therefore add 1.8% to \$688 [COLUMN G] = \$700 [COLUMN J]. The Allowable Rent is now \$700 and can be taken upon vacancy. COLUMNS F & I would have the same dates.
- Last Date of Increase was 4/1/03. Rent was \$763 [COLUMN G]. Previous Allowable Rent was \$776. New tenant moved in on 8/1/03 [COLUMN E] and rent was increased to \$776 less the 1.8%. On 4/1/04, rent can be increased to 1.8% [\$776 + 1.8% = \$790] as long as this was put in a rent escalator clause into the lease.